

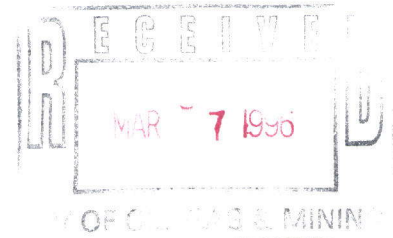


m1031/005

File Code: 2810

Date: March 5, 1996

Steve Evans
SLC Environmental
P.O. Box 522075
Salt Lake City, Utah 84152-2075



Dear Mr. Evans:

I have reviewed your proposed Plan of Operations for mining activity at the Deer Trail Mine. I need additional information, described in the enclosed list before I can consider it for approval.

I have two main concerns regarding the use of the facilities and area described in your Plan. No authorization currently exists for the structures surrounding the entrance to the tunnel, all located on National Forest Land. I cannot authorize temporary use of these structures without a plan for the eventual removal of the buildings upon cessation of your mining activity. Removal of the facilities and reclamation of the building sites used in your operation will need to be included in your Plan. You will be required to post a bond in an amount commensurate with the reclamation effort required to remove these facilities, as well as for reclamation of any surface disturbance caused by your mining activity. Only those structures necessary for and incidental to your proposed operation can be authorized for use. The claim owner would remain responsible for the eventual removal of the buildings not authorized for your use.

My second concern is with what may be hazardous wastes, safety, and fire hazards at the site. There is an open bag of an unidentified material lying outside the laboratory building, several old electrical transformers located on a concrete slab, and what appear to be containers and drums of materials in some of buildings. The power lines and poles at the site are old and do not appear to be up to current safety or fire prevention standards. Prior to authorization of new mining activity, all potential hazards must be identified and removed, or repaired or contained in a manner which meets current laws and regulations.

If identification of your long-term plans (beyond the first year) is not possible at this time, please identify your proposed operations which are reasonably foreseeable at this time. A supplemental Plan or Plans could be filed in the future if you were to propose to undertake any significant surface disturbance not covered by the initial Plan.



Please contact me or Steve Winslow at this office if you have any questions. We would be very willing to meet with you at the site to discuss specific questions and to explain our needs. I appreciate your cooperation and look forward to hearing from you.

Sincerely,

A handwritten signature in cursive script, reading "Dayle R. Flanigan".

DAYLE R. FLANIGAN
District Ranger

Enclosures (2)

cc:

Unico, Inc.
Magalia, California

✓Lynn Kunzler
State of Utah
Division of Oil, Gas, and Mining

Forest Supervisor

Piute County Commissioners

Deer Trail Development Corp.
Dallas, Texas

March 5, 1996

INFORMATION NEEDED TO COMPLETE PROPOSED PLAN OF OPERATIONS

Submitted By

SLC ENVIRONMENTAL/ UNICO

December 11, 1995

I. GENERAL INFORMATION

- E. Please include proposed duration dates for your operation. Estimate to a reasonably foreseeable future point, if necessary. We recommend including 1-3 years for the proposal, after which you could submit a supplemental Plan when your future plans become more definite. The duration is important when determining bond amounts for reclamation (e.g. estimated surface area disturbed by dumping of waste rock). The bond amounts will generally be commensurate with the size of operations.
- G. Your Plan should indicate that reclamation would be completed within one year of the conclusion of operations. This would be necessary to be in compliance with regulations.

II. PRINCIPALS

- C. You have indicated in previous submissions that Deer Trail Development Corporation, or Fehrprop, was the owner of the claims. You now list UNICO Inc. as the owner of the claims, and list Deer Trail Development Corporation under "D" as "other lessees, assigns, agents, etc." Is this correct? If so, please describe their involvement with the operation.

IV. DESCRIPTION OF THE OPERATION

- A. I have included copies of a portion of the USGS quadrangle map for the Deer Trail Mine area. As requested in this part, please show the claim boundaries (for only those claims to be used in this operation) and highlight the roads to be used. It appears from your sketch that two Forest roads would be used in your operations: Forest Road 126 and FR 125. If so, please state this in this section.

In your previous activities at the site, clearing of vegetation and widening of the road surface was done on FR 125. Vegetation was piled along the edge of the road and in many places an earthen berm was created by the grading which does not allow for proper drainage. Our requirements for the slash created by cutting or trimming vegetation along existing roads would be that it be scattered, piled and burned or otherwise disposed of away from the road bed. The berm should be removed and, where necessary, erosion control would be done through installation of drainage structures such as dips, culverts or proper grading. Please include a description of your plans to correct these problems and your plans for road maintenance during the life of your project.

- B. You have included a sketch of the buildings and other facilities around the portal and mine dump. This includes nine or more structures, including a powder magazine, mobile trailer, fences and gates. No authorization (Plan of Operations or permit) currently exists for these structures, which are all located on National Forest Land. A plan for removal of the facilities and reclamation of the building sites used in your operation will need to be included in your Plan. This work will need to be completed within one year of the termination of your operations. You will be required to post a bond in an amount commensurate with the reclamation effort required to remove these facilities.

You will need to include as part of your sketch and description of the facilities to be used in your operations the water storage tank and pipeline which was installed just above the lab building without authorization in the fall of 1993. If you do not plan to use these facilities please describe plans to immediately remove them.

You mention that explosives will be stored in a powder magazine, one of the buildings shown in your sketch and located on National Forest Land. Storage, transportation and use of explosives must meet standards established by Federal Bureau of Alcohol, Tobacco, and Firearms. It is recommended that you contact this agency to determine the necessary requirements and standards for use of and storage of explosives. It is likely that the powder magazine would need to be modified to meet current standards.

In a previous submission of a Plan of Operation you stated that the existing structures on NFS land would not be removed upon completion of your operation. You gave as a reason that Unico's lease with Deer Trail Development Corporation (Fehrprop) mandated that Unico leave all improvements on the claims at the end of the lease. Over the next several months I will be working with the claim owner to remove the unauthorized facilities from NFS land, and possibly to discuss other options to resolve this problem. In the meantime, I cannot authorize use of the existing structures in a Plan of Operations without appropriate bonding and reclamation measures included.

Drawings must clearly show location of property boundaries, claim boundaries, areas to be disturbed or otherwise involved in the operations, and other things such as pipe lines, waters sources, sewage facilities, power and telephone lines, water tanks, fuel tanks, buildings, topsoil storage areas, parking lots, gates, fences, power substations, and other things that are a part of the operations. Need for this type information is vital if there is a co-mingling of properties (Deer Trail properties leased to SLC Environmental vs. Deer Trail properties not leased to SLC Environmental) on the site. The information in plan must leave no question of who is responsible for what. In other words, it must clearly define what is covered by the plan and what is not.

- C. Include a description of all aspects of the operation. Include such things as what is to be done and at what rate. When would activities occur? Would they occur in phases? Would they be conducted seasonally, yearlong, 24 hours a day for 7 days per week? Describe how and why it is to be done (the objectives of the operations). How many employees will be involved in

the operation?

You indicate under C.1, "The waste rock shall be shipped to a mill." You then state, "The waste rock shall be placed on existing dump." Are both statements correct? If you intend to dump waste rock on the existing dump, how much would be dumped during the first 12 months and what is the size of the area to be affected? What is projected for the total life of project (C.2). This information is necessary to calculate an appropriate reclamation bond.

This description should supplement the maps included under A and B of this section, and vice versa.

- D. Include non-vehicular equipment such as pumps, generators, etc. Also sizes, capacity, frequency of use, etc.
- E. Will all the structures you have shown on your sketch be used in the operation? Please specifically describe which facilities and structures would be used in your operation. Only those structures incidental to and necessary for your proposed operation would be authorized under an approved Plan of Operations. As mentioned, the amount of the reclamation bond will be commensurate with the number of buildings to be used and extent of surface disturbance (dumping of waste rock) proposed by your Plan.

V. ENVIRONMENTAL PROTECTION MEASURES

- C. Where will garbage be hauled to? Operations must be in compliance with State and Federal requirements--identify how those requirements will be met.
- G. Please provide more details regarding your plans for proper storage, handling, and disposal of hazardous materials, including petroleum products. Include a description of how a spill of hazardous material would be disposed of, if spill were to happen.
- H. Describe all aspects of the reclamation--what will be done and why; when, where, and how it will be done, and to what standard. Identification of measurable standards is essential so it can be determined when standards are achieved. Address all applicable items specified in the form. Identify species to be used in revegetating disturbed areas; type of mulch and fertilizer, if used; methods and rates of application. In general, define what the site will look like when reclamation is completed.

